

MAINE STATE LEGISLATURE

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CHAPTER 245

MANAGEMENT AND OPERATION

Sec.

- 2681. Meetings.
- 2682. Directors.
- 2683. Election of officers; committees; bonds.
- 2684. Compensation.
- 2685. Guaranty fund.
- 2686. Investment of funds.
- 2687. Dividends.

§ 2681. Meetings

The annual meeting of the corporation shall be held at such time and place as the bylaws prescribe, but not later than 60 days after the close of the fiscal year. Special meetings may be called at any time by a majority of the directors and shall be called by the clerk upon written application of 10 or more members entitled to vote. Notice of all meetings of the corporation and of all meetings of the board of directors and of committees shall be given in the manner prescribed in the bylaws. No member shall be entitled to vote by proxy, except in a vote for dissolution, or have more than one vote.

A fraternal organization, voluntary association, partnership or corporation, having membership in a credit union, may cast one vote at any of its meetings by a duly delegated agent.

The members at each annual meeting may fix the maximum amount to be loaned to any one member and, upon recommendation of the board of directors, may declare dividends in accordance with section 2687.

R.S.1954, c. 55, § 13; 1963, c. 110, § 2.

§ 2682. Directors

The business and affairs of a credit union shall be managed by a board of not less than 5 directors. The directors shall be elected at the annual meetings. All members of the said board, as well as the officers whom they may elect, shall be sworn to the faithful performance of their duties and shall hold their several offices, unless sooner removed, until their successors are qualified. A record of every such qualification shall be filed and preserved with the records of the corporation. Directors shall be elected

for not less than one nor more than 3 years, as the bylaws shall provide. If the term is for more than one year, they shall be divided into classes and an equal number, as nearly as may be, elected each year. If a director ceases to be a member of the credit union, his office shall thereupon become vacant.

R.S.1954, c. 55, § 14.

§ 2683. Election of officers; committees; bonds

The directors at their first meeting after the annual meeting shall elect from their own number a president, one or more vice-presidents, a clerk, a treasurer and such other officers as may be necessary for the transaction of the business of the credit union, who shall be the officers of the corporation and who shall hold office until their successors are qualified, unless sooner removed. The offices of clerk and treasurer may be held by the same person. No member of the said board of directors shall be a member of both the credit and the auditing committee unless the number of members of the credit union is less than 11. The treasurer and all other officers and employees of a credit union having access to the cash or negotiable securities in its possession shall each give bond, including faithful performance clause, to the credit union in such amount and with such surety or sureties and conditions as the commissioner may prescribe, and shall file with him an attested copy thereof. The treasurer and any other officers and employees required to give bond may be included in one or more blanket or schedule bonds.

R.S.1954, c. 55, § 15.

§ 2684. Compensation

No member of the board of directors shall receive any compensation for his services as a member of the said board or as a member of any committee. No member of said board shall become surety or co-maker for any loan. The treasurer, or any other officer serving in the capacity of general manager, may be compensated in such amount as the board of directors may, from time to time, determine.

R.S.1954, c. 55, § 18.

§ 2685. Guaranty fund

Before the payment of an annual or semi-annual dividend, there shall be set apart as a guaranty fund not less than 10%

9 § 2685 **BANKS—FINANCIAL INSTITUTIONS** **Title 9**

of the net income which has accumulated during the next preceding dividend period, except as otherwise provided, until such time as said guaranty fund shall equal 20% of the assets of the said credit union; and thereafter, shall be added to the guaranty fund at the end of each such period, such percentage of the net income which has accumulated during that period as will result in maintaining such guaranty fund at such amount. All entrance fees shall be added to the guaranty fund at the close of the dividend period. Said guaranty fund and the investments thereof shall be held to meet contingencies or losses in the business of the credit union, and shall not be distributed to its members except in case of dissolution.

R.S.1954, c. 55, § 19.

§ 2686. Investment of funds

The capital and surplus of a credit union shall be invested in loans to members, with approval of the credit committee as provided in section 2723 and, when so required herein, of the board of directors. Any capital or surplus funds, in excess of the amount for which loans shall be approved by the credit committee and the board of directors, may be deposited in any bank of this State which is a member of the Federal Deposit Insurance Corporation or invested in any bonds, notes of the United States or of any state or subdivision thereof, of bankers' acceptances, which bonds, notes or bankers' acceptances are at the time of their purchase legal investments for savings banks in this State; or in the shares of other credit unions incorporated in this State or by the Federal Government, or in the shares of state and federal loan and building associations. Investments, other than personal loans, shall be made only with the approval of the board of directors.

Subject to the approval of the board of directors, the capital and surplus may be invested in loans to other credit unions located in this State, provided that loans outstanding at any one time to any one credit union shall not exceed 10% of the share capital of the lending credit union.

A credit union may invest in real estate by the purchase of improved or unimproved real estate and in the erection or improvement of buildings thereon together with fixtures and equipment for the purpose of providing offices for the transaction of its business. Such buildings may include space for rental purposes. The cost to the credit union of such lands, buildings, fixtures and equipment shall not exceed 75% of the sum of such credit union's

surplus funds at the time such investment is made, unless the commissioner shall, for good cause shown, on application therefor approve an amount in excess of said amount subject to such conditions as the commissioner may approve.

Credit unions organized under private and special laws shall have the authority granted by this section, in addition to such other investment authority as they now possess.

R.S.1954, c. 55, § 20; 1961, c. 147, § 4; 1963, c. 110, § 5.

§ 2687. Dividends

Annually or semiannually, as the bylaws may provide, and after provision for the required reserves, the board of directors may declare a dividend to be paid from the remaining net earnings or from accumulated undivided profits. Such dividends shall be paid on all paid-up shares outstanding at the end of the period for which the dividend is declared. Shares which become fully paid up during such dividend period and are outstanding at the close of the period shall be entitled to a proportional part of such dividend. Dividend credit for a month may be accrued on shares which are or become fully paid up during the first 10 days of that month. Dividends due to a member shall, at the discretion of the board of directors, be paid to him in cash or be credited to his account in shares. No dividend shall be authorized or paid at a rate in excess of 6% per year.

R.S.1954, c. 55, § 24; 1961, c. 147, § 8; 1963, c. 110, § 6.